



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture



MAY 17, 1999

**ASA Concerned Over Soymeal Import.** The American Soybean Association (ASA) stated that it is "disappointed" by the decision of several North Carolina producers and feed mill companies to import approximately 75,000 metric tons of Brazilian soymeal into the U.S. The North Carolina consortium, composed of six producers and feed mill companies, plans to import 25,000 metric tons of Brazilian soymeal in late May or early June, with two similar shipments to follow in July and August. In a futile attempt to stop the import of the foreign soymeal, ASA first vice president, Marc Curtis, said, "We told them we were really disappointed that they were bringing it in when we've got plenty of soybeans in the U.S. and prices here are at 20-year lows." However, Jimmy Kissner, manager at a Rose Hill, NC, feed mill and consortium spokesman, defended the purchase, saying "The deal is economical for us." The 6-member consortium will use a 25,000 metric ton shipment in 1 week, to supply its various operations. ASA officials found that the consortium was unwilling to provide information regarding the price of the imported soymeal, except that it was significantly lower than for U.S. soymeal. In addition, the consortium informed ASA that it cost more to have the soymeal brought in from the Midwest by rail than to have it shipped through the Great Lakes from Canada. Curtis intends to keep open communication in order to persuade against future imports. In a related matter, it has been reported that Brazil has halted its ban on the commercial planting of genetically modified (GMO) crops. As of May 17, Brazilian farmers are able to produce and sell five varieties of soybean seeds, genetically engineered to offer herbicide resistance. Two top producing Brazilian states, Parana and Mato Grasso, however, are attempting to certify some farmer cooperatives as "transgenic-free." A third state, Rio Grande do Sul, is resisting the decision even more defiantly, attempting to make the planting of genetically modified crops illegal. Brazil is the world's second largest producer of soybeans, following the U.S. Furthermore, since U.S. regulatory agencies consider them safe, millions of acres of U.S. farmland are currently planted with GMO soybeans and other crops.

(*Bridge News 5/13, Reuters 5/17, Washington Post 5/18*)

**Extreme Weather May Decrease China's Wheat Harvest.** Drought conditions and heavy rains have caused a drop in the winter wheat harvest for some Chinese provinces. The rainfall relieved drought in some regions, while in others, such as the Henan province where rain and hail affected approximately 200,000 hectares of winter wheat (1 hectare=2.4710 acres), it has been detrimental. With harvest to begin at the end of the month, one local agricultural official stated that "...now heavy rainfall is not good for crop growth." It was still too early to forecast production. (*Reuters 5/18, USDA*)


**Cargill Sees Potential In Asian Market.** During a recent interview with *Reuters* news service, Cargill chairman and chief executive, Ernest Micek stated that after a slow economic recovery, Asia will again be a major importer of agricultural products from both North and South America. The report indicates that Micek's expectations are based on an expanding population, which is concentrating in the cities and demanding more convenient and nutritious foods. Micek placed particular emphasis on the importance of value-enhanced crops (VEC) in Asia and Latin America when considering population growth, finite availability of farm land, and environmental concerns in those areas. A part of the solution, Micek maintained, was the need for high-intensity farming and genetically modified plants. Accordingly, he expects consumer resistance to genetically modified crops to lessen as research and development begin to show consumers, particularly those in Europe, their benefits. (*Reuters 5/17*)

**India's Grain Exporting Future.** Agricultural scientists in India believe that, with improved irrigation techniques and the use of high-yield hybrid seeds, India will become a leading food grain exporter during the next century. There is currently no irrigation system over 70 percent of India's 144 million hectares of agricultural land, much of the reason why agricultural productivity in India is currently among the lowest in the world. In areas where there is irrigation, production ranges from 3.5 to 3.7 metric tons per hectare. This differs significantly from the productivity level of 1 metric ton per hectare in nonirrigated agricultural land. However, the government expects to increase annual production of grains from the current 200 million metric tons to 400 million metric tons over the next 10 years. This is considerably higher than the 300 million metric tons which the Indian Council for Agricultural Research expects will be necessary for domestic demand by the year 2012. Despite its huge surplus of grain stocks, India currently maintains a ban on wheat exports due to its history of periodic famine. (*Bridge News 5/14*)

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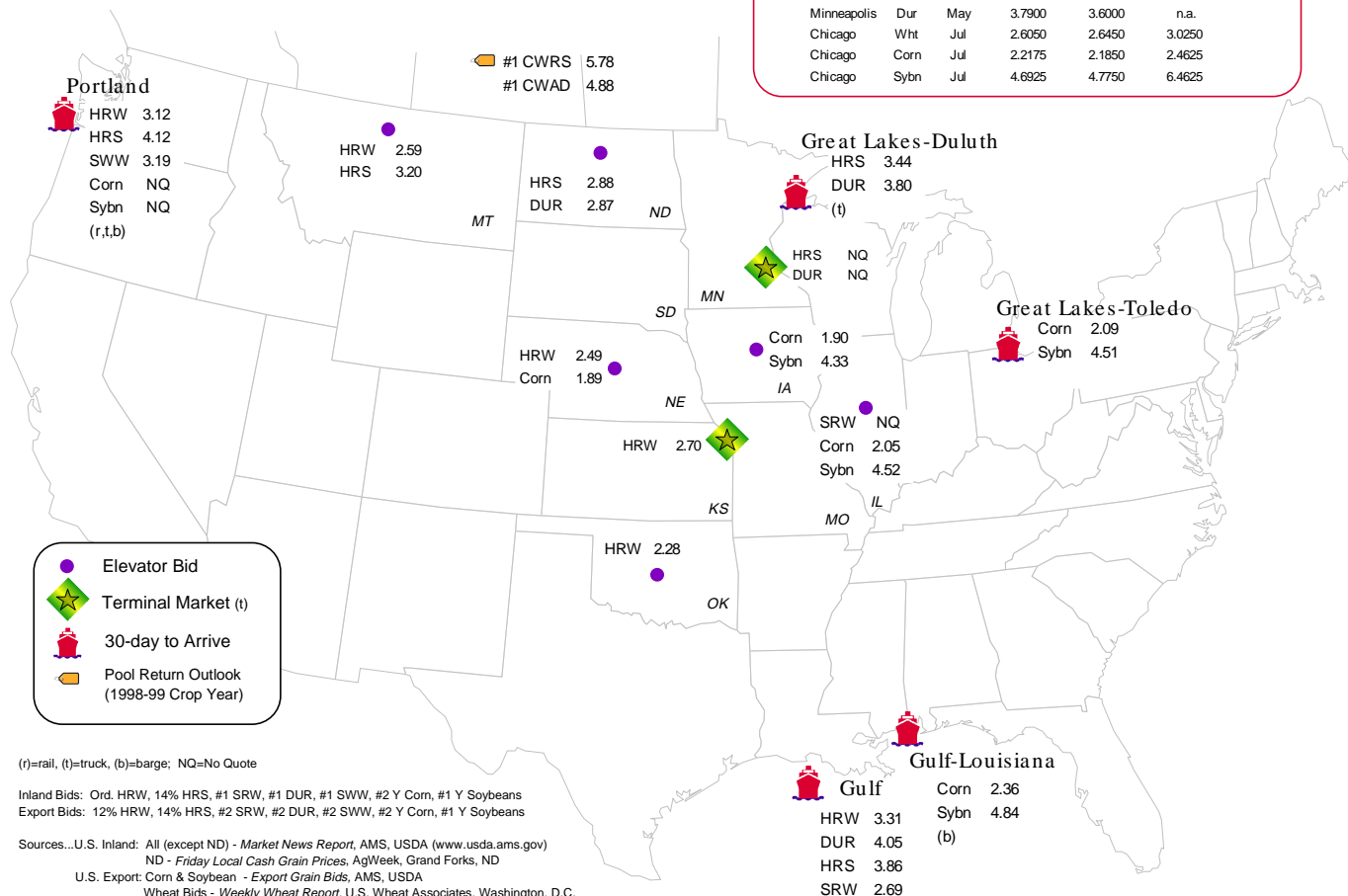
This report is prepared by Karl Hacker and Karla Martin, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at [www.ams.usda.gov/tmd/grain.htm](http://www.ams.usda.gov/tmd/grain.htm). E-mail comments to [Nick\\_Marathon@USDA.gov](mailto:Nick_Marathon@USDA.gov).

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### Futures:

			05/14/99	Week Ago 05/07/99	Year Ago 05/15/98
Kansas City	Wht	Jul	2.8225	2.8400	3.2275
Minneapolis	Wht	Jul	3.2550	3.2100	3.6350
Minneapolis	Dur	May	3.7900	3.6000	n.a.
Chicago	Wht	Jul	2.6050	2.6450	3.0250
Chicago	Corn	Jul	2.2175	2.1850	2.4625
Chicago	Sybn	Jul	4.6925	4.7750	6.4625



Index - Percent of Tariff Rate

Straight Lines Indicate 3-yr Avg  
Weekly Movement based on 4-Week Running Avg.

Date	Index - Percent of Tariff Rate (%)
01/26/94	150
03/30/94	105
06/01/94	85
08/03/94	120
10/05/94	290
12/07/94	200
02/08/95	275
04/12/95	220
06/14/95	140
08/16/95	325
10/19/95	300
12/20/95	215
02/28/96	290
05/01/96	125
07/03/96	115
09/04/96	95
11/06/96	210
01/08/97	150
03/12/97	220
05/14/97	100
07/16/97	100
09/17/97	240
11/19/97	140
01/21/98	110
03/25/98	120
05/27/98	115
07/29/98	170
09/30/98	305
12/02/98	135
02/03/99	185
04/07/99	140

The chart displays the average price per car for three different swap types over a 25-month period. The y-axis represents the average price in dollars per car, ranging from \$0 to \$300, with a negative scale down to \$100. The x-axis shows the delivery month and year from September 1997 to November 1999. BNSF-SWAP is represented by hatched bars, CP-GEEP by solid red bars, and UP-POOL by white bars. The data shows significant volatility, with prices generally higher in late 1997 and late 1998, and lower in early 1998 and early 1999.

Delivery Month-Year	BNSF-SWAP (\$/Car)	CP-GEEP (\$/Car)	UP-POOL (\$/Car)
Sep-97	80	80	100
Oct-97	170	150	200
Nov-97	180	120	230
Dec-97	130	90	220
Jan-98	60	40	140
Feb-98	-10	-10	70
Mar-98	-130	-50	10
Apr-98	-150	-40	-20
May-98	-180	-30	-10
Jun-98	-90	-10	0
Jul-98	50	50	60
Aug-98	100	100	120
Sep-98	110	100	150
Oct-98	160	120	190
Nov-98	110	80	140
Dec-98	40	20	60
Jan-99	-10	-10	10
Feb-99	-40	-10	10
Mar-99	-50	-10	0
Apr-99	-50	-10	0
May-99	-30	0	10
Jun-99	10	10	50
Jul-99	30	30	70
Aug-99	70	60	90
Sep-99	120	60	130
Oct-99	120	110	120
Nov-99	80	110	110

**Rail Car 'Auction' Offerings**

Delivery for:	Jul-99		Sep-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	9,500	43%	9,500	33%
<b>UP-GCAS</b>	5,400	9%	5,400	11%

Source: Transportation & Marketing /AMS/USDA; [www.bnsf.com](http://www.bnsf.com); [www.uprr.com](http://www.uprr.com)

**Secondary Rail Car Market**

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Jun-99	Aug-99	Sep-99	Oct-99
BNSF-GF	\$(39)	\$9	\$49	\$74
CP-GEEP	\$5			
UP-Pool	\$(1)	\$57	\$102	\$123

Source: T&amp;M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

*note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted***Railroad Car 'Auction' Results**

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jul-99	Aug-99	Sep-99
COT/N. Grain	no bid	\$4	\$67
COT/S. Grain	\$3	\$14	\$53
GCAS/Region 2	\$1	\$7	\$4
GCAS/Region 4	\$32	\$41	\$59

Source: T&M/AMS USDA. Data from [www.bnsf.com](http://www.bnsf.com), [www.uprr.com](http://www.uprr.com), (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values\***

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
5/14/99	Twin Cities	twk	150
		August	190
	Mid Miss	August	165
		September	200
		October	245
	McGregor, IA-so.	June	135
	St. Louis	twk	85

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

**Southbound Barge Freight Spot Rates**

	5/12/99	5/5/99	June '99	August '99
Twin Cities	155	160	168	192
Mid-Mississippi	134	136	140	163
Illinois River	121	131	131	155
St. Louis-Cairo	89	94	100	134
Lower Ohio	91	95	107	146
Cairo-Memphis	90	92	100	129

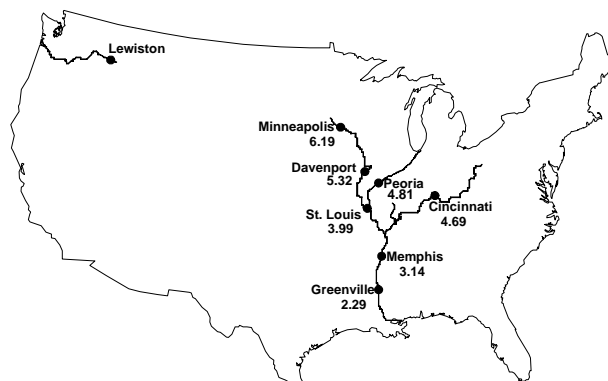
Source: Transportation & Marketing /AMS/USDA  
nq- no quote

twk=this week

nwk=next week

on tow=boat is in transit

on station=boat located at a point on the river (immed. available)

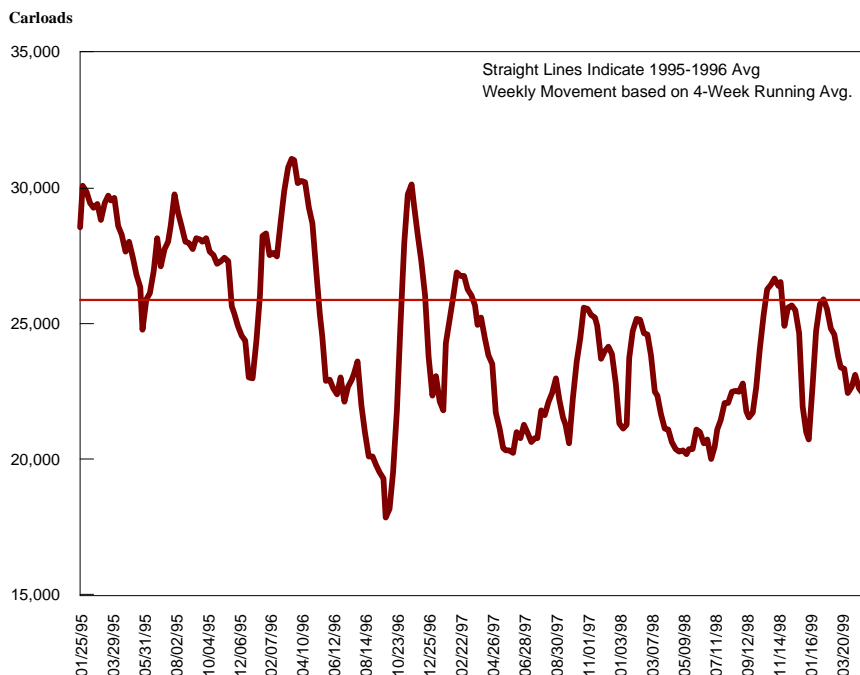
**Barge Benchmark Tariff Rates  
Est. 1976 - 'Tariff No. 7'**

## Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
4/24/99	21,102
5/1/99	21,001
5/8/99	23,279
Year to Date - 1999	426,449
Year to Date - 1998**	405,621
Total 1998**	1,183,860
Total 1997*	1,199,995
Source: American Association of Railroads	

\*\*1998 - 52 weeks

\* 1997 - 53 weeks



## Class I Rail Carrier Grain Car Bulletin

Carloads

			<u>East</u>		<u>West</u>			<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
05/08/99	566	2,248	1,792	2,840	7,813	716	7,304	2,617	4,334
This Week Last Year	658	2,304	1,416	2,230	6,196	632	5,747	2,424	3,616
1999 YTD	13,723	45,500	26,621	46,095	145,328	13,300	135,882	36,656	57,603
1998 YTD*	12,816	44,150	24,403	46,239	150,685	12,023	115,305	47,776	78,242
1997 Total**	29,834	118,581	80,255	124,834	428,243	34,690	378,888	171,428	272,156
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387

Source: American Association of Railroads

\*\*1998 - 52 weeks

\* 1997 - 53 weeks

## Tariff Rail Rates for Unit Train Shipments

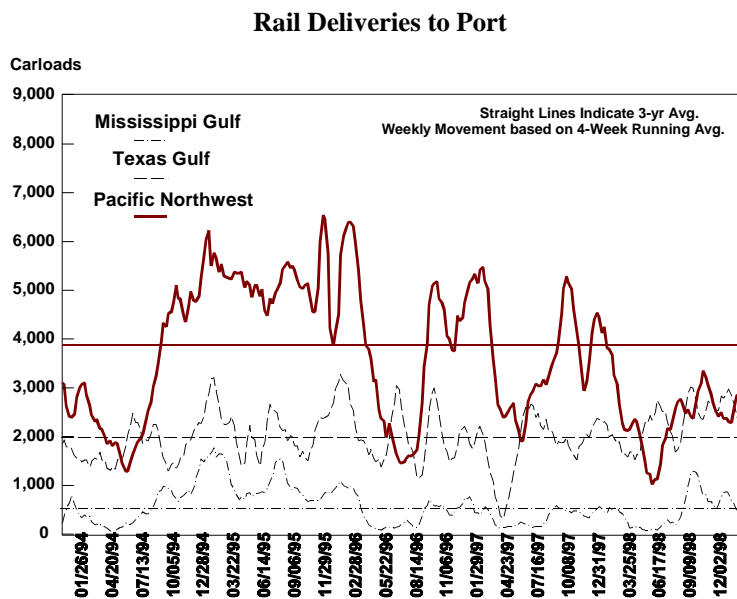
May 1999

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$19.51	\$0.65
05/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,442	\$40.31	\$1.33
05/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$16.79	\$0.56
05/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,604	\$41.78	\$1.38
05/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$38.16	\$1.26
05/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
05/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$24.74	\$0.87
05/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
05/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$30.22	\$1.00
05/01/99	61180	Soybean	Omaha, NE	Portland, OR	\$3,030	\$27.50	\$0.91
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

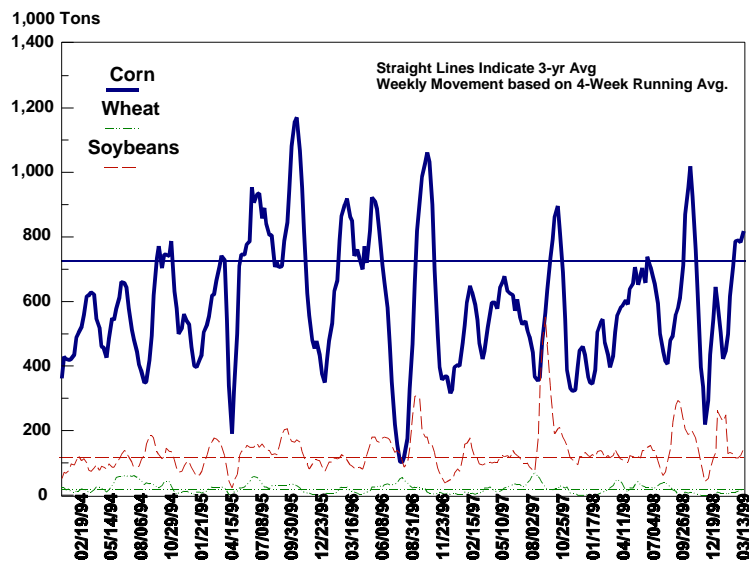
Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat &amp; Soybeans 60 lbs/bu

<b>Rail Deliveries to Port</b>				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
03/31/99	237	1,924	3,674	164
04/07/99	225	1,798	3,390	677
04/14/99	233	2,296	2,598	215
04/21/99	189	2,132	3,215	389
04/28/99	279	1,546	2,908	217
05/05/99	115	2,096	2,984	230
YTD 1999	8,985	42,557	52,854	6,712
YTD 1998	8,035	36,484	61,584	5,240
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147
Source: Transportation & Marketing/AMS/USDA				



## Barge Movements - Locks 27

**Barge Grain Movements**

for week ending 05/08/99

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	398	16	53	468
Winfield, MO (L25)	504	15	128	649
Alton, IL (L26)	846	21	172	1,043
Granite City, IL (L27)	851	25	183	1,061
Illinois River (L8)	316	2	44	363
Ohio (L52)	22	3	14	80
Arkansas (L1)	0	12	0	12
1999 YTD	11,427	859	2,591	16,169
1998 YTD	8,297	537	2,821	13,031
Total 1998	31,226	2,420	8,866	45,625
Total 1997	29,685	2,689	9,584	45,315

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

**U.S. Export Balances\*** (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
05/06/99	1,441	598	1,162	380	115	3,696	8,370	2,253	14,319
This Week Year Ago	976	235	1,050	435	177	2,874	5,667	1,587	10,128
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	9,607	2,207	6,009	5,148	935	23,905	31,800	18,030	73,735
97/98 YTD	9,213	4,625	5,849	5,189	1,172	26,048	25,268	17,713	69,029
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
05/13/99	151	168	0	114	442	170	251	0	0
1999 YTD	3,952	2,873	93	2,270	12,298	5,971	2,592	257	630
1998 YTD *	3,488	2,601	363	2,117	9,372	6,720	2,068	143	540
% of Last Year	36%	66%	14%	45%	39%	40%	36%	46%	45%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service \* YTD-Year-to-Date ('98 = 53 week period)

**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

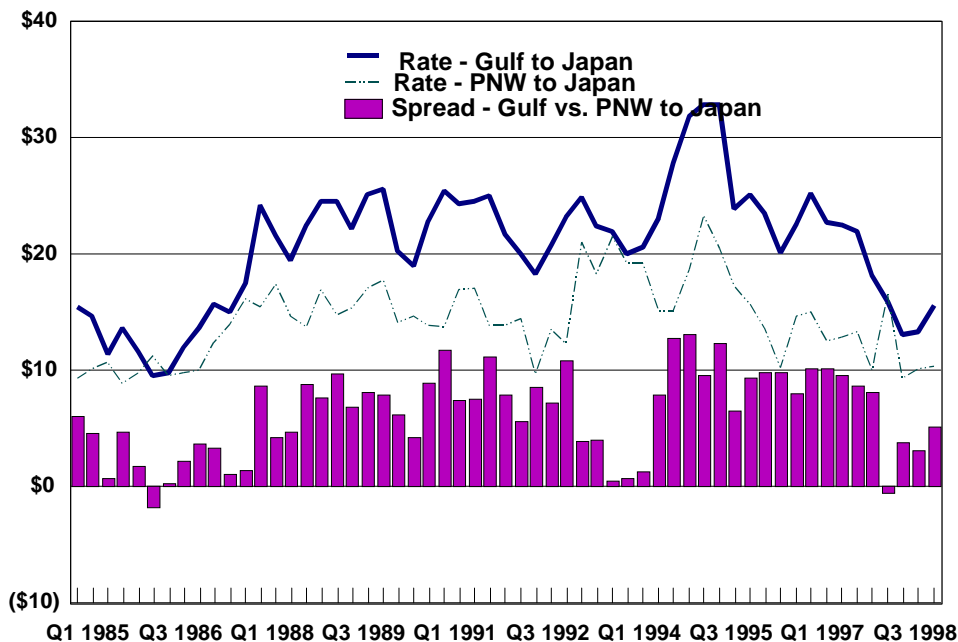
	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 05/13/99			
Vancouver	3,718	808	278
Prince Rupert	1,224	7	0
Prairie Direct	771	408	241
Thunder Bay	350	115	219
St. Lawrence	1,607	1,319	0
1999YTD Exports	7,670	2,657	744
1998 YTD Exports	13,408	3,236	1,948
% of Last Year	57%	82%	38%

Source: Canadian Grains Commission \*Year Ago-This Week a Year Ago \*\*  
YTD-Year-to-Date Crop Year 8/1-7/31



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
		Loaded	Due Next		Loaded	Due Next		Loaded	Due Next
	<u>In Port</u>	<u>7-Days</u>	<u>10-Days</u>	<u>In Port</u>	<u>7-Days</u>	<u>10-Days</u>	<u>In Port</u>	<u>7-Days</u>	<u>10-Days</u>
05/06/99	22	52	52	10			9	6	1
05/13/99	29	39	64	9			12	8	1
1998 Range	(19..62)	(34..64)	(40..93)				(1..16)	(3..14)	(0..10)
1997 Range	(11..52)	(25..61)	(31..89)						
1998 Avg	40	48	61				9	9	3
1997 Avg	33	45	58						
1996 Avg	38	46	62						
Source: Transportation & Marketing /AMS/ USDA									

US\$/Metric Ton



Quarterly Ocean Freight Rates

**Quarterly Ocean Freight Rates**

Average Rates &amp; Percentage Changes, U.S. Dollars/Metric Ton - Basis

	1999 1 <sup>st</sup> Qtr	1998 1 <sup>st</sup> Qtr	% Change		1999 1 <sup>st</sup> Qtr	1998 1 <sup>st</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$15.62	\$18.24	-14%	Japan	\$10.41	\$10.08	3%
Mexico	\$14.22	\$12.15	17%	Red Sea/ Arabian Sea	\$45.81		
Venezuela	\$11.33	\$11.13	2%				
N. Europe	\$12.16	\$9.85	23%	<b>Argentina to</b>			
N. Africa	\$17.12	\$14.65	17%	N. Europe	\$14.55	\$12.32	18%
				Japan	\$21.35	\$20.93	2%

Source: Transportation &amp; Marketing/AMS/USDA

**Ocean Freight Rates (Select Locations) - week ending 05/15/99**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Dominican Republic	Grains	May	20,000	\$10.00
Gulf	Colombia	Corn/Wheat	Spot	31,000	\$16.40
Tampa	Amsterdam	Grains	Prompt	25,000	\$14.75
Gulf	St. Petersburg (Rus.)	Meals	June	46,500	\$63.75 (MT)
Gulf	Novorossiysk (Rus.)	Corn	May	35,000	\$89.67 (MT)
Gulf	So. Korea	Heavy Grain	May	50,000	\$20.50
Gulf	Japan	Heavy Grain	June	54,000	\$17.00
PNW	Indonesia	Wheat	May	29,000-52,000	\$24.34-87.35(MT)
So. Brazil	Japan	Grains	May	20,000	\$28.35
River Plate	Chile	Grains	May	28,000	\$24.50

Source: Maritime Research Inc.